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PROGRAMME AND BUDGETS, 1998-1999

The future of Buildings Management Section

Report by the Director-General

Summary

Discusses developments with respect to the Buildings Management Section since the issuance of document IDB.20/7 and the subsequent adoption of PBC conclusion 98/4.

1. The adjustments to the programme and budgets, 1998-1999, proposed by the Director-General to the fourteenth session of the Programme and Budget Committee included the maintenance of responsibility for the Buildings Management Section (BMS). As indicated in the proposal (IDB.20/7, paras. 22-26), no other VIC-based organization had expressed the wish to take over the responsibility for the management of BMS.

2. In conclusion 98/4, para. (b), the Programme and Budget Committee encouraged the Director-General to continue his consultations with the other organizations in order to find a solution, and to present concrete proposals to the Board at its twenty-first session. Further discussion in the Consultative Committee on Common Services held on 23 October 1998 did not result in any change in position by the VIC agencies on the question of management responsibility for BMS. Consequently, the present document outlines the approach of the Director-General for future action. Subject to any further developments, an update will be issued to the twenty-first session of the Board.

3. While continuing to maintain the management responsibility for BMS in accordance with the provisions of the Memorandum of Understanding Concerning the Allocation of Common Services, the Director-General intends to take the following measures to ensure maximum transparency in all BMS-related operations:

(a) BMS will be an organizational unit separated from core administration as of 1 January 1999, the mandate of which will cover all related activities. The precise organizational setup is under review;

(b) A separate management report on the operation of BMS, including financial statements, will be made available on a regular basis. UNIDO's administrative support costs will be disclosed as a footnote to the financial statements;

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(c) In the proposed programme and budgets, 2000-2001, BMS will be presented as a separate major programme showing income and expenditure. This presentation will enable Member States to examine BMS operations as an independent, non-core programme and identify the cost-sharing arrangements in a transparent manner;

(d) A system of advance payment from user organizations will be proposed with the intention of avoiding the pre-financing of BMS activities by UNIDO;

(e) A continuous review of BMS functions will be undertaken to identify further possibilities for increased efficiency;

(f) Discussions will continue with other organizations within the VIC to ensure that all common services are provided using the most cost-effective and administratively efficient management structures.

ACTION REQUIRED OF THE BOARD

4. The Board may wish to take note of the information contained in the present document.